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INFORMATIVE ~~SECRET~~ REPORT

CD NO.

COUNTRY Switzerland/Austria/Hungary/Yugoslavia

DATE DISTR. 27 Jan 1949

SUBJECT Transactions in Switzerland by Jakob Braunnstein and Associates NO. OF PAGES 2

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**SUPPLEMENT TO
REPORT NO.**

1. Jakob Braunstein, who travelled frequently between Budapest, Vienna, and Switzerland, has now established a permanent residence in Zürich at Haldenbachstrasse 2. Comment: For previous information, see [redacted] He lives in a spacious apartment in which he keeps approximately 500,000 dollars worth of valuable oil paintings which, according to him, were shipped from Hungary in thirty crates. Most of them are old Dutch masters, including a Van Dyke. There is also a Van Gogh in the collection. He is looking for a purchaser for some of them.
2. At present, one of Braunstein's most important orders is to purchase spare parts for oversize metal presses from the L. Schuler A.G. near Goepfingen, U.S. Zone, Germany. These had been delivered by the L. Schuler A.G. to Russia in 1941 under the German-Russian trade pact. The original cost of each machine was 200,000 dollars. The machines had been built according to special instructions from the Russians. Because of their large size, the Germans, at the time, were uncertain about the ultimate use of the machines. When German troops occupied the Don area during the war, they discovered the machines and ascertained that they had been used to press turrets for T-34 tanks. The presses are again in use and need overhauling.
3. Braunstein openly stated that he is acting as purchasing agent for USIA (Administration of Soviet Property in Austria) and eastern countries. He is concluding contracts with Swiss firms which purchase articles for him from western countries without disclosing their ultimate destination. For this service he is prepared to compensate the Swiss firms which agree to cooperate.
4. His main interest is the acquisition of metals, principally copper, tin, and lead. For copper delivered to Bratislava, he will pay 23 percent above the world market's out-of-quota price, and will accept any quantity. Currently, he is looking for 300 tons of special steel for tool (Feinstahl) manufacture; the Austrian Boehler-Werke refused to accept this order. He has a commission to purchase 600,000 dollars worth of steel instruments from Solingen (British Zone, Germany), such as scissors and pocket knives, and has requested samples. The merchandise is required to be delivered to the free ports of Buchs or Schaffhausen. He has asked for an offer for thirty million needles, to be purchased in western Germany, which he plans to visit as soon as he has received the necessary travel papers.

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NO CHANGE in Class. ☐

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DDA Memo, 4 Apr 77

Auth: DDA REG. 77/1763

DP82-00457R00220080

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[REDACTED]

CENTRAL INTELLIGENCE AGENCY

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5. During September 1948, Braunstein sold 7,000 tons of USIA aluminum scrap to England. In October, he bought 400 tons of bronze from the Yugoslavs for USIA. The bronze was obtained from church bells and is stored in the Soviet Zone of Austria. His relations with the Yugoslavs are strained at the present time, and he has repeatedly stated that he is looking for an agent to purchase Yugoslav copper for him, since he cannot negotiate the transaction himself. 25X1A2g
6. Braunstein and his associate Hollaender (see [REDACTED]) are offering octane oil for sale in Switzerland. In turn, they are buying machines and seeds for eastern countries. They have also been engaged in a number of lumber transactions with Holzhandels A.G. in Zurich, managed by Hauser (fmu). Their business is carried on chiefly with Mobiliare A.G., Zurich, managed by Andreas Hajnal, and Suisse-Amneris, Zurich, managed by Richard Tolnay. [REDACTED] Comment: Tolnay, a Communist, is reported to be buying material for the Russian war industry; he is the former head of Mobiliare A.G. Hajnal, according to other reports, is engaged in smuggling money from Hungary.) 25X1A2g
7. It has been indicated that Braunstein and Hollaender belong to the Vienna Bela Szabo Group, and that their trafficking is being done on behalf of the Hungarian Workers' Party (Communist Party), or, at least, that part of their profits are being diverted to the HWP.

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